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Iron Ore Offshore Intraday Technical

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Iron Ore Offshore Dec 25 Morning Technical Comment—240 Min Chart Technical

Support		Resistance		Current Price	Bull	Bear
S1	104.63	R1	106.18	105.85	RSI above 50	Stochastic overbought
S2	103.99	R2	107.20			
S3	103.38	R3	108.48			

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above daily pivot level USD 104.63
- We remained bullish with a neutral bias yesterday with the MA on the RSI implying momentum was supported. The futures had seen bid support due to the 3-wave pattern on the DCE daily technical. We were above the intraday 200-period MA (USD 104.76), if we held above the average, it would imply that there was an underlying support in the market, warning the USD 106.28 resistance could be tested and broken. If it was, then the technical would be back in bull territory, warning the USD 108.05 resistance could be tested and broken. Buyside pressure was increasing, meaning resistance is vulnerable.
- The futures have seen a small move higher; however, the active contract has rolled into Dec, meaning the high on the SGX chart has moved from USD 108.5 to USD 107.20 (no idea why they do this). This means that the Dec is back in bullish territory, but the Nov still needs to trade above the USD 106.28 level. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 104.63 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 103.99 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The futures are holding above the intraday 200-period MA (USD 104.43), warning the USD 107.20 high is vulnerable. We should note that although the futures are moving higher, we are not seeing volume support (compared to the previous move higher), suggesting caution, as the upside move lacks conviction. A cautious bull.